

Message Text

UNCLASSIFIED

PAGE 01 TEGUCI 02232 01 OF 04 181414Z
ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 COME-00 MMO-04 PER-03 AGRE-00
USIA-15 TRSE-00 AID-05 /045 W
-----181615Z 062253 /44
R 172021Z MAY 77
FM AMEMBASSY TEGUCIGALPA
TO SECSTATE WASHDC 6648

UNCLAS SECTION 1 OF 4 TEGUCIGALPA 2232

E.O. 11652: N/A
TAGS: BEXP, AFSP, HO
SUBJ: FY78 COMMERCIAL ACTION PROGRAM

REF: STATE A-1111, 5 MAR 1977

1. SECTION I: COMMERCIAL SETTING:
THE ECONOMY OF HONDURAS IS EXPECTED TO GROW MODERATELY IN 1977/78. HIGH EXPORT EARNINGS, THE RESULT OF FAVORABLE COFFEE AND MEAT PRICES AND INCREASED BANANA PRODUCTION, SHOULD STIMULATE INCREASED IMPORTS. IN 1976, THE U.S. CAPTURED 52 PERCENT OF THE HONDURAN IMPORT MARKET WITH SALES REACHING A RECORD US\$ 201.6 MILLION. IN FY 1978, GOOD PROSPECTS EXIST FOR SALES OF HEAVY TRANSPORTATION AND CONSTRUCTION EQUIPMENT, AGRICULTURAL MACHINERY, COMMUNICATIONS SYSTEMS, TEXTILE MACHINERY AND MATERIALS. HONDURAS DEPENDS ON CONCESSIONAL LOANS FROM THE INTERNATIONAL FINANCIAL INSTITUTIONS (IBRD, BID, CABEL, ETC.) TO FUND ITS LARGE DEVELOPMENT PROJECTS. MAJOR PROJECTS PLANNED IN THE AREAS OF FORESTRY DEVELOPMENT, HIGHWAYS, TOURISM AND HYDROELECTRIC POWER WILL GIVE U.S. ENGINEERING, DESIGN AND CONSTRUCTION FIRMS THE CHANGE TO BID ON VALUABLE CONTRACTS AND PROVIDE U.S. SUPPLIERS AN OPPORTUNITY FOR SIZEABLE SALES.

2. SECTION II: PERSONNEL RESOURCES:
THE COUNTRY COMMERCIAL ACTION GROUP (CCAG) FOR HONDURAS,
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TEGUCI 02232 01 OF 04 181414Z

CHAIRMAN BY THE CHIEF OF THE ECONOMIC/COMMERCIAL SECTION,
CONSISTS OF THE E/C OFFICER, THE COMMERCIAL ATTACHE, THE
PUBLIC AFFAIRS OFFICER AND THE AGRICULTURAL ATTACHE. THE
FOLLOWING ARE STATE-FUNDED E/C SECTION PERSONNEL:
E/C SECTION CHIEF FSO-4 OVERALL SUPERVISION
COMMERCIAL ATTACHE FSO-6 SUPERVISE TRADE PROMOTION AND
INVESTMENT PROBLEMS, CAMPAIGN MGR

COMMERCIAL SPECIALIST I FSL-10 RESPONSIBLE FOR WTDR, ADS, FGTS, CERP
PUBLICATIONS AND REPORTS MARKET
RESEARCH

COMMERCIAL SPECIALIST

II FSL-10 RESPONSIBLE FOR TOP, NEWSLETTER,
COMMERCIAL LIBRARY, ASSISTING
VISITORS.

SECRETARY/

RECEPTIONIST FSL-6 RESPONSIBLE FOR TYPING, FILES,
TELEPHONE CALLS AND TRANSLATING

3. SECTION III: REVIEW OF FY 77 COMMERCIAL ACTIVITIES WITH
NEARLY HALF OF THE FISCAL YEAR STILL REMAINING, THE EVALUATION
OF THE CAP FOR FY 77 IS NECESSARILY PARTIAL AND TENTATIVE.
TO DATE, THE COMMERCIAL SECTION HAS MET ALL THE OBJECTIVES
LISTED FOR THE FIRST FOUR CAMPAIGNS OF THE CAP BUT THE FIFTH
CAMPAIGN, HOSPITAL EQUIPMENT AND SUPPLIES, IS LAGGING BEHIND
SCHEDULE. THE PRODUCT CATEGORIES BEING PROMOTED HAVE PROVEN
TO BE WELL-CHOSEN AS EVIDENCED BY THE NUMBER OF TOP'S AND
FGT'S REPORTED ESPECIALLY FOR AGRICULTURAL EQUIPMENT,
TRANSPORTATION EQUIPMENT AND TENDERS FOR PUBLIC ROAD AND PORT
CONSTRUCTION. CAMPAIGN NO. 1 - AGRICULTURAL EQUIPMENT AND
MACHINERY: THIS CAMPAIGN HAS BEEN SUCCESSFUL. THE EMBASSY
RECENTLY COMPLETED A POST-INITIATED MARKET SURVEY ON
AGRICULTURAL EQUIPMENT. FILMS WERE REQUESTED FROM USIS WITH THE
HOPE OF HOSTING A SPECIAL SHOWING BUT THE FILMS OFFERED WERE
OUT-OF-DATE AND INAPPROPRIATE.
BECKER

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 TEGUCI 02232 02 OF 04 181427Z
ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 COME-00 MMO-04 PER-03 AGRE-00

USIA-15 TRSE-00 AID-05 /045 W

-----181615Z 062459 /44

R 172021Z MAY 77

FM AMEMBASSY TEGUCIGALPA
TO SECSTATE WASHDC 6649

UNCLAS SECTION 2 OF 4 TEGUCIGALPA 2232

CAMPAGIN NO. 2 - TRANSPORTATION EQUIPMENT: WITH THE GOH CONTINUING
TO EMPHASIZE EXTENSION OF THE ROAD NETWORK IN HONDURAS, THIS
CATEGORY WILL AGAIN BE IMPORTANT NEXT YEAR. CAMPAIGN IS
CONTINUING ON SHCHEDULE. IN ADDITION TO THE ACTIONS LISTED IN THE

CAP, THE COMMERCIAL SECTION PROMOTED THE INTERNATIONAL TRUCKING SHOW HELD IN ANAHEIM, CALIFORNIA, AND WORKED CLOSELY WITH THE CONSULAR SECTION IN FACILITATING VISAS FOR POTENTIAL BUYERS.

CAMPAGIN NO. 3 - ROAD CONSTRUCTION, PORTS AND AIRPORTS: THIS CAMPAIGN EXCEEDED EXPECTATIONS. COMPLETION OF OBJECTIVES IS ON SCHEDULE. IN ADDITION TO ACTIONS LISTED, THE COMMERCIAL ATTACHE HAS WORKED HARD AT DEVELOPING IMPROVED CONTACTS WITH THE MINISTRY OF PUBLIC OWRKS IN ORDER TO BETTER ASSIST U.S. FIRMS SEEKING FAIR TREATMENT IN THE AWARDED OF BIDS.

CAMPAIGN NO. 4 - INDUSTRIAL MACHINERY AND EQUIPMENT: ACTIONS COMPLETED ON SCHEDULE BUT FULL EVALUATION OF IMPACT ON U.S. SALES NOT YET POSSIBLE.

CAMPAIGN NO. 5 - HOSPITAL EQUIPMENT AND SUPPLIES: SEVERAL HIGH VALUE TOP'S HAVE BEEN REPORTED IN THIS CATEGORY BUT MORE POTENTIAL EXISTS. ACTION 5 WAS COMPLETED WITH PARTICULARLY SUCCESSFUL RESUTLS: (A) ONLY AMERICAN FIRMS WILL BE ACCEPTED FOR EQUIPPING OF THE SCHOOL-HOSPITAL; (B) A NEW SMALL HOSPITAL IN LA CEIBA IS GOING TO BE EQUIPPED 100 PERCENT WITH U.S. PRODUCTS; AND (C) ALL REPRESENTATIVES OF U.S. PRODUCTS HAVE BEEN ALERTED UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TEGUCI 02232 02 OF 04 181427Z

TO FUTURE TRADE OPPORTUNITIES.

4. SECTION IV: CAMPAIGNS AND OTHER SPECIAL EFFORTS FOR FY 78.
(COMATT: KROMHOUT - COMMERCIAL SPECIALISTS: ORTUNO AND CASTILLO)

CAMPAIGN NO. 1 - TRANSPORTATION EQUIPMENT
ACTION DEADLINE

FIRST QUARTER FY 78 1. ORTUNO WILL SURVEY TRANSPORT COOPERATIVES AND THE ARMED FORCES FOR PURCHASE PLANS AND REPORT TOP'S. WILL ALSO CONTACT REPS OF U.S. EQUIPMENT TO SOLICIT THEIR VIEWS ON MARKET POTENTIAL AND PREPARE END-USER AND BUYER LIST.

SECOND QUARTER FY78 2. EARLY IN THE QUARTER, CASTILLO WILL PROMOTE ATTENDANCE AT THE INTERNATIONAL TRUCKING SHOW SAN FRANCISO, (FBP), MAY 10-12, 1978.

THIRD QUARTER FY78 3. ORTUNO WILL TRAVEL TO JUTICALPA, CATACAMAS AND DANLI TO SURVEY PURCHASE REQUIREMENTS OF TRANSPORT CO-OPS AND FIRMS FOR 1978 SIMILAR TRIPS BY CASTILLO TO STA. ROSA AND CHOLUTECA WILL BE CONSIDERED.

FOURTH QUARTER FY 78 4. ORTUNO WILL VISIT PETROLEUM
PRODUCT TRANSPORT COMPANIES IN
TEGUCIGALPA, SAN PEDRO SULA AND
PUERTO CORTES FOR SAME PURPOSE AS
ABOVE.
5. CASTILLO WILL PREPARE INDEX OF
TRANSPORT CO-OPS AND COMPANIES FOR
MAILING PROMOTIONAL FLYERS.

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 TEGUCI 02232 03 OF 04 181421Z
ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 COME-00 MMO-04 PER-03 AGRE-00
USIA-15 TRSE-00 AID-05 /045 W
-----181616Z 062349 /44

R 172021Z MAY 77
FM AMEMBASSY TEGUCIGALPA
TO SECSTATE WASHDC 6650

UNCLAS SECTION 3 OF 4 TEGUCIGALPA 2232

CAMPAGIN NO. 2 - HEAVY CONSTRUCTION EQUIPMENT

ACTION DEADLINE

FIRST QUARTER FY 78 1. COMMERCIAL SPECIALISTS WILL COMPILE
LIST OF MAJOR CONSTRUCTION FIRMS,
CONSULTING FIRMS, END-USERS AND BUYERS
IN HONDURAS FOR READY REFERENCE FOR
VISITING U.S. FIRMS SEEKING LOCAL
PARTNERS AND FOR PROMOTIONAL MAILINGS.
2. KEEP LIST OF MAJOR PROJECTS UP-TO-DATE
NOTING PROGRESS OF EACH STAGE OF PROJECTS
AND ADDOMG MEW ONES. COMATT WILL BIST
PROJECT MANAGERS AND SITES TO OBTAIN
TIMELY INFORMATION AND PREPARE MAJOR
PROJECTS AIRGRAMS. BEFORE THE END OF
THE QUARTER, COMATT WILL CALL ON MINSITER
OF PUBLIC WORKS TO OBTAIN PRELIMINARY
BUDGET FOR 1978 AND ADVANCE BIDDING
SCHEDULE.

SECOND QUARTER FY78 3. EMBASSY WILL ASK WCAG TO MONITOR
PROGRESS OF GOH APPLICATIONS FOR IBRD
LOANS FOR THIS SECTOR AND FORWARD

PROJECT LOAN DOCUMENTS.

4. CASTILLO WILL MONITOR LA MESA AIRPORT
IMPROVEMENT AND CONSTRUCTION PROJECT.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TEGUCI 02232 03 OF 04 181421Z

5. WHEN APPROPRIATE, THE AMBASSADOR AND
COMATT WILL HOST A COCKTAIL-BUFFET FOR
GOH OFFICIALS, LOCAL REPS OF POTENTIAL
U.S. SUPPLIERS AND AMERICAN CONSULTING
ENGINEERING FIRMS PRESENT IN HONDURAS.

THIRD QUARTER FY 78 6. KROMHOUT WILL REPEAT COURTESY CALLS ON
MINISTER OF PUBLIC WORKS AND OTHER
OFFICIALS.

FOURTH QUARTER FY 78 7. CASTILLO WILL PROMOTE ATTENDANCE AT
INT'L PUBLIC WORKS ON CONGRESS AND
EQUIPMENT SHOW SCHEDULED AT BOSTON-
14-19, 1978, BY MEANS OF FLYERS AND
VISITS TO PRINCIPAL CONSTRUCTION FIRMS AN

D

GOVERNMENT AGENCIES.

CAMPAIGN NO. 3 - COMMUNICATIONS EQUIPMENT
ACTION DEADLINES

- FIRST QUARTER FY 78 1. ORTUNO WILL COMPLETE PROMOTION OF INTELCOM
77 ALREADY BEGUN IN PREVIOUS FISCAL YEAR.
2. KROMHOUT WILL VISIT OFFICIALS OF
HONDUTEL, THE AUTONOMOUS GOH TELE-
COMMUNICATIONS CORPORATION, FOR REPORT ON
CURRENT PROJECTS AND PLANNED EXPANSION
ESPECIALLY IN RURAL TELEPHONE SYSTEMS
AND MICRO-WAVE RELAY STATIONS AND INTER-
COUNTRY CONNECTIONS.

SECOND QUARTER FY78 3. WITH THE ASSISTANCE OF USIS, KROMHOUT AND
HER ASSISTANTS WILL VISIT THE MAJOR TV AND
RADIO BROADCAST COMPANIES TO SURVEY THEIR
EQUIPMENT NEEDS.

THIRD QUARTER FY 78 4. FOLLOW-UP VISIT TO HONDUTEL TO OBTAIN THEIR
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 TEGUCI 02232 03 OF 04 181421Z

SEMI-ANNUAL REPORT.

FOURTH QUARTER FY78 5. OVER THE WHOLE FY 78, COMMERCIAL STAFF

WILL TRY TO STIMULATE MORE TOP'S FROM
PRIVATE SECTOR IN THIS PRODUCT CATEGORY BY
PUBLISHING NEW PRODUCT INFORMATION IN OUR
COMMERCIAL NEWSLETTER, PROMOTING RELEVANT
TRADE SHOWS IN U.S., AND POSSIBLE SHOWING
OF FILMS IF AVAILABLE FROM USIS OR
PRIVATE INDUSTRY.

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 TEGUCI 02232 04 OF 04 181449Z
ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 COME-00 MMO-04 PER-03 AGRE-00
USIA-15 TRSE-00 AID-05 /045 W
-----181618Z 062810 /44
R 172021Z MAY 77
FM AMEMBASSY TEGUCIGALPA
TO SECSTATE WASHDC 6651

UNCLAS SECTION 4 OF 4 TEGUCIGALPA 2232

CAMPAIGN NO. 4 - ELECTRICAL POWER EQUIPMENT

ACTION DEADLINE

FIRST QUARTER FY 78 1. KROMHOUT WILL MEET WITH MANAGER OF ENEE
TO OBTAIN ADVANCE INFORMATION ON GOH
ENERGY PROJECTS AND BUDGET FOR 1978. SHE
WILL ALSO REPORT ON RESULTS OF GOH
COMMISSIONED STUDY ON GEOTHERMIC ENERGY
SOURCES.
2. ORTUNO WILL MONITOR PROGRESS OF LOAN
APPLICATION AND FESIBILITY STUDIES FOR
"EL CAJON" PROJECT WHILE CASTILLO WILL
SEEK TOP'S AMONG SMALLER USERS OF
ELECTRICAL EQUIPMENT IN THE PRIVATE
SECTOR. KROMHOUT WILL CONSULT WITH USAID ON
THEIR PROPOSED US\$ 10 MILLION LOAN FOR
RURAL ELECTRIFICATION.
3. USIS WILL BE ASKED TO TRY TO PLACE ARTICLES
IN LOCAL NEWSPAPERS ON US EQUIPMENT AND
TECHNOLOGY IN THE ENERGY FIELD.

THIRD QUARTER FY 78 4. CASTILLO WILL REPORT FGT'S FOR THIS
ELECTRICAL POWER EQUIPMENT AND ALSO PROMOTE

USDOC-SPONSORED TRADE FAIRS IN THIS
CATEGORY.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TEGUCI 02232 04 OF 04 181449Z

5. FOLLOW-UP VISIT WILL BE MADE TO HONDUTEL
TO CHECK ON PROGRESS OF EL CAJON, PATUCA,
AND EL NARANJITO PROJECTS AS WELL AS GOH
PLANS TO BUY GAS TURBINES AND DIESEL UNITS.

FOURTH QUARTER FY 78 6. ORTUNO WILL VISIT BANCO MUNICIPAL WHICH
FUNDS PROJECTS OF MUNICIPALITIES NOT
INCLUDED IN ENEE'S NATIONAL NETWORK TO
OBTAIN INFORMATION ON POTENTIAL BUYERS.

SPECIAL EFFORT NO. 1 - MARKET RESEARCH

KROMHOUT, ORTUNO AND CASTILLO WILL EACH PREPARE TWO SHORT
(3-6 PAGE) MARKET STUDIES ON THOSE PRODUCTS THAT HAVE GOOD
POTENTIAL FOR US SUPPLIERS BUT FOR WHICH NO FORMAL CAMPAIGN
IS PLANNED. THE STUDIES MIGHT INCLUDE: TEXTILE MATERIALS AND MACHINER
Y
HOTEL AND RESTAURANT EQUIPMENT AND SUPPLIES, FORESTRY EQUIPMENT,
PROCESSED FOODS AND WINES, SMALL ELECTRONIC COMPUTERS AND
BUSINESS EQUIPMENT, INDUSTRIAL TOOLS AND CONSUMER ELECTRONICS
AND HARDGOODS.

SPECIAL EFFORT NO. 2 - PROMOTION OF US EQUIPMENT AND TECHNOLOGY
SALES: A COMPLETE LIST OF HONDURAS
PRIVATE SECTOR INDUSTRIAL PROJECTS FOR 1978/79 WILL BE PREPARED BY
COMMERCIAL SECTION, INCLUDING SUMMARY AND EVALUATION OF EACH
PROJECT FOR SPECIAL REPORT TO USDOC (PIMS).

5. SECTION V: FINANCIAL RESOURCES SCHEDULE FISCAL
YEAR 1978 (STATE FUNDS ONLY)

	FY76	*677	*678
	(ACTUAL)	(ESTIMATED)	(REQUESTED)

1. REPRESENTATION	445	800	800
-------------------	-----	-----	-----

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 TEGUCI 02232 04 OF 04 181449Z

2. TRAVEL	1371	1600	1800
-----------	------	------	------

3. CONTRACT SERVICES:

(A) WTDR SUPPORT	0	0	0
------------------	---	---	---

(B) NEWSLETTER	963	1040	1123
(C) OTHER	0	0	0

4. COMMERCIAL LIBRARY	2414	1351	2500
-----------------------	------	------	------

5. POSTAGE	250	250	500
------------	-----	-----	-----

6. TOTAL	5543	5041	6823
----------	------	------	------

BECKER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 17-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TEGUCI02232
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770177-0005
Format: TEL
From: TEGUCIGALPA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770547/aaaabohk.tel
Line Count: 395
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: cc166e91-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 8
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 STATE A-1111
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 15-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2480098
Secure: OPEN
Status: NATIVE
Subject: FY78 COMMERCIAL ACTION PROGRAM
TAGS: BEXP, AFSP, HO
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/cc166e91-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009